

MINUTE ITEM

4. (REQUEST FOR DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS, DOUGLAS OIL COMPANY OF CALIFORNIA, HUNTINGTON BEACH FIELD, ORANGE COUNTY - W. O. 2784.)

After presentation of Calendar Item 29 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO GRANT TO THE DOUGLAS OIL COMPANY OF CALIFORNIA A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER STATE OIL AND GAS LEASE P.R.C. 1524.1 TO SEPTEMBER 1, 1958, SUBJECT TO THE EXPRESS ~~CONDITION THAT DURING THE PERIOD OF DEFERMENT THE LESSEE WILL PERFORM ONE OF~~ THE FOLLOWING ACTIONS:

1. INITIATE DEVELOPMENT ON THE LEASE;
2. QUITCLAIM THE UNDEVELOPED LEASE AREA;
3. PRESENT NEW ADEQUATE BASES FOR CONSIDERATION AS TO ANY FURTHER DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER THE LEASE.

Attachment

Calendar Item 29 (1 page)

CALENDAR ITEM

OIL & GAS

29.

(REQUEST FOR DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS, DOUGLAS OIL COMPANY OF CALIFORNIA, HUNTINGTON BEACH FIELD, ORANGE COUNTY - W. O. 2784.)

On July 15, 1957 (Minute Item 4, page 3297) the Commission authorized the deferment of drilling and operating requirements under State Oil and Gas Lease P.R.C. 1524.1, Huntington Beach, to January 1, 1958, subject to the express condition that during the period of deferment the lessee would perform one of the following actions:

1. Initiate development on the lease;
2. Quitclaim the undeveloped lease area.

Lease P.R.C. 1524.1 was issued June 13, 1955 to the Douglas Oil Company of California pursuant to competitive public bidding. Two wells have been drilled and are on production. The second well completed in January, 1956 was re-drilled twice in different directions and to different zones before completion.

During the months of July and August, 1957, operators on the adjacent leased area to the west drilled a geological exploration core hole.

On December 2, 1957 an application was received from the lessee requesting a further extension of the deferment of drilling and operating requirements for such period as may be deemed advisable by the Commission. The requested additional time will be used in a further study of geological information already acquired in conjunction with any additional information obtained in coring operations on the adjacent lease and future explorations.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO GRANT TO THE DOUGLAS OIL COMPANY OF CALIFORNIA A DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER STATE OIL AND GAS LEASE P.R.C. 1524.1 TO SEPTEMBER 1, 1958, SUBJECT TO THE EXPRESS CONDITION THAT DURING THE PERIOD OF DEFERMENT THE LESSEE WILL PERFORM ONE OF THE FOLLOWING ACTIONS:

1. INITIATE DEVELOPMENT ON THE LEASE;
2. QUITCLAIM THE UNDEVELOPED LEASE AREA;
3. PRESENT NEW ADEQUATE BASES FOR CONSIDERATION AS TO ANY FURTHER DEFERMENT OF DRILLING AND OPERATING REQUIREMENTS UNDER THE LEASE.